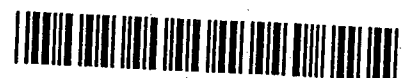


**Corporate Filings for Gulfco Marine Maintenance, Inc.,  
a Texas Corporation**

9122857





## Office of the Secretary of State

The undersigned, as Secretary of State of Texas, does hereby certify that the attached is a true and correct copy of each document on file in this office as described below:

GULFCO, INC.  
Filing Number: 25977100

Articles of Incorporation  
Articles of Amendment  
Articles Of Amendment  
Change of Registered Agent/Office  
Articles of Merger

April 15, 1969  
April 15, 1969  
January 08, 1973  
January 28, 1975  
November 03, 1975

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on February 16, 2010.



A handwritten signature in cursive script, reading "Hope Andrade".

Hope Andrade  
Secretary of State

THE STATE OF TEXAS

X

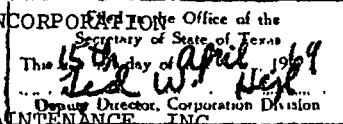
ARTICLES OF INCORPORATION

OF

COUNTY OF BRAZORIA

X

GULFCO MARINE MAINTENANCE, INC.



WE, the undersigned natural persons of the age of twenty-one years or more, at least two of whom are citizens of the State of Texas, acting as incorporators of a corporation under the Texas Business Corporation Act, hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE ONE

The name of the corporation is GULFCO MARINE MAINTENANCE, INC.

ARTICLE TWO

The period of its duration is perpetual.

ARTICLE THREE

The purpose for which the corporation is organized is:

To conduct a general contracting business and the business of engineering, construction, operation, management, maintenance, repairing, buying, selling and use of marine, oil, gas, chemical and atomic vessels, plants, buildings and structures and other structures and facilities not named herein, provided all engineering practiced shall be carried on only by professional engineers registered in this State.

ARTICLE FOUR

The aggregate number of shares which the corporation shall have authority to issue is One Hundred Thousand (100,000) shares at no par value.

ARTICLE FIVE

The corporation will not commence business until it has received for the issuance of its shares consideration of the value of One Thousand and no/100 (\$1,000.00) Dollars, consisting of money, labor done or property actually received.

ARTICLE SIX

The office address of its initial registered office is 624 Mockingbird Lane, Lake Barbara, Texas; and the name of its initial registered agent at such address is B. G. Sandlin.

ARTICLE SEVEN

The number of directors constituting the initial Board of Directors is three (3); and the names and addresses of the persons who

are to serve as directors until the first annual meeting of the shareholders or until their successors are elected and qualified are:

1. B. G. Sandlin, 115 Persimmon, Lake Jackson, Texas, 77566;
2. Joyce M. Sandlin, 115 Persimmon, Lake Jackson, Texas, 77566;
3. Bobby L. Tanner, 624 Mockingbird Lane, Lake Barbara, Texas.

ARTICLE EIGHT

The names and addresses of the incorporators are:

1. B. G. Sandlin, 115 Persimmon, Lake Jackson, Texas, 77566;
2. Joyce M. Sandlin, 115 Persimmon, Lake Jackson, Texas, 77566;
3. Bobby L. Tanner, 624 Mockingbird Lane, Lake Barbara, Texas; 77531;
4. Betty Jean Tanner, 624 Mockingbird Lane, Lake Barbara, Texas, 77531.

IN WITNESS WHEREOF, we have hereunto set our hands, this the

12th day of April, A. D. 1969.

B. G. Sandlin  
B. G. Sandlin

Joyce M. Sandlin  
Joyce M. Sandlin

Bobby L. Tanner  
Bobby L. Tanner

Betty Jean Tanner  
Betty Jean Tanner

THE STATE OF TEXAS X

COUNTY OF BRAZORIA X

I, Betty J. Murrell, a Notary Public, do hereby certify that on this 12th day of April, A. D. 1969, personally appeared before me, B. G. SANDLIN, JOYCE M. SANDLIN, BOBBY L. TANNER and BETTY JEAN TANNER, who each being by me duly sworn, severally declared that they are the persons who signed the foregoing documents as incorporators, and that the statements contained therein are true.

Betty J. Murrell  
Notary Public in and For Brazoria  
County, Texas.

BETTY J. MURRELL  
Notary Public  
Brazoria County, Texas

STATEMENT OF RESOLUTION AUTHORIZING INCORPORATION BY REFERENCE  
OF  
AGREEMENT RESTRICTING TRANSFER OF SHARES  
OF  
GULFCO MARINE MAINTENANCE, INC.

FILED  
In the Office of the  
Secretary of State of Texas  
SEP 14 1971

TO THE SECRETARY OF STATE  
OF THE STATE OF TEXAS:

Bill Kinch  
Deputy Director, Corporation Division

PURSUANT to the provisions of Article 2.19 of the  
Texas Business Corporation Act, the undersigned Corporation sub-  
mits the following statement authorizing incorporation by refer-  
ence of the attached document:

(1) The name of the Corporation is Gulfco Marine Main-  
tenance, Inc.

(2) Attached hereto is a true and correct copy of an  
Agreement executed the 21st day of May, 1971, by and between  
the said Corporation and the Shareholders thereof restricting  
the sale or transfer of shares of the Corporation.

(3) Incorporation by reference of the attached agreement  
restricting the transfer of shares into the bylaws of the Corpora-  
tion and on certificates representing the shares of the Corporation  
was duly authorized by the Board of Directors of the Corporation on  
the 21st day of May, 1971.

GULFCO MARINE MAINTENANCE, INC.

By B. G. Sandlin  
President

By B. L. Turner  
Secretary

THE STATE OF TEXAS X

COUNTY OF BRAZORIA X

I, Raymond J. Fields, Jr., a Notary  
Public, do hereby certify that on this 21st day of May, 1971,  
personally appeared before me, B. G. Sandlin, who being by me  
first duly sworn, declared that he is the President of Gulfco  
Marine Maintenance, Inc., that he signed the foregoing document  
as President of the Corporation, and that the statements therein  
contained are true.

Raymond J. Fields, Jr.  
Notary Public in and for  
Brazoria County, Texas

My commission expires June 1, 1971.

FILMED

**CLOSE CORPORATION STOCK PURCHASE AGREEMENT**

**By and Between**

**GULFCO MARINE MAINTENANCE, INC.**

**and**

**ITS SHAREHOLDERS**

5

STOCK PURCHASE AGREEMENT

This agreement, entered into this the 21st day of May, 1971, by, between, and among B. L. Tanner and B. G. Sandlin, hereinafter referred to as "Shareholders", and Gulfco Marine Maintenance, Inc., a Texas corporation with offices at Freeport, Texas, hereinafter called the "Corporation";

W I T N E S S E T H

WHEREAS, the Corporation has been incorporated under the laws of the State of Texas, and has its principal place of business at or near Freeport, Texas, and

WHEREAS, said Corporation has issued and outstanding as of the date hereof 2,000 shares of common stock, of one class only, said common stock being the sole and only type of stock issued or authorized by said Corporation; and

WHEREAS, all of said issued and outstanding common stock is owned by the Shareholders in the following proportions:

B. L. Tanner	1,000 shares
B. G. Sandlin	1,000 shares; and

WHEREAS, it is deemed to be in the best interests of the Corporation and the Shareholders to restrict the transfer of the common stock of the Corporation in such manner that it shall

not find its way into inexperienced or unfriendly hands and to that end the parties consider it desirable that they provide a method whereby the sale, transfer, or encumbrance of any shares of the Corporation shall be restricted; now,

THEREFORE, in consideration of the foregoing and the mutual covenants, conditions, stipulations, and agreements herein contained, the parties hereby agree as follows:

#### Section 1

1.1 For the purposes hereof, the following definitions shall apply:

(a) A Shareholder who is an employee, an officer, or director of the Corporation shall be deemed to have become "disabled" if he incurs an injury or a sickness which totally and continuously disables and completely prevents him from engaging in his occupation or employment and endures for a period of twelve months or longer. The date on which such a Shareholder shall be deemed to have become disabled shall be the date on which such twelve-month period expires.

(b) A shareholder shall be deemed to have "qualified for retirement" from the Corporation when he is either an employee, an officer, or a director of the Corporation and attains the age of sixty-five. Any such Shareholder who has thus qualified for



retirement shall be considered to have retired for the purposes of this agreement unless, with the continuous consent of the board of directors, he postpones such retirement to a later date.

1.2 If any Shareholder, during his lifetime, desires to make any transfer or disposition, whether in the form of sale, gift, or otherwise, of any of his common shares of stock issued by the Corporation, or if any Shareholder who is also either an employee, an officer, or a member of the board of directors of the Corporation, terminates or severs such relationship with the Corporation and is no longer either an employee, an officer or a director, regardless of the reason therefor, and whether or not such severance or termination of such relationship with the Corporation be brought about voluntarily or involuntarily, with or without cause, or if such employee, officer, or director retires (as herein defined), becomes disabled (as herein defined), or if any Shareholder, whether or not he be an employee, officer, or director, dies, he, his heirs, administrators, or executors, shall offer (it being understood that the severance of said above relationship, the death, disability, or retirement of any such Shareholder shall be deemed to be such offer) to sell to the Corporation all of his said shares of stock, and the Corporation shall have an option to purchase all or any number of said shares. If the Corporation does not elect to purchase all of such shares then each

of the Shareholders of the Corporation (other than the selling Shareholder) shall have the right and option to purchase, on a pro rata basis, such number of offered shares as shall remain after the Corporation shall have made its election, all at the price and in the manner herein set forth.

1.3 Wherever in this agreement the Corporation is given the right or undertakes the obligation to purchase any shares of a selling Shareholder, such purchase must be made within the limits of the earned surplus or retained earnings of the Corporation and without in any manner violating or contravening any of the provisions of the Texas Business Corporation Act, or any other applicable state or federal law or regulation.

## Section 2

2.1 The parties agree that for the purposes of this contract the "Value Per Share" of each issued and outstanding share of the Corporation's common stock is \$100.00 as of the date hereof and shall remain such value until such time that the same is changed by mutual agreement of the Corporation and the Shareholders. The parties may at any time, and from time to time, adopt a new such value by filing with the Secretary of the Corporation a certificate to that effect jointly executed by the Corporation and all Shareholders in a form substantially as follows:

Value Per Share Certificate

The value per share of the common stock of Gulfco Marine Maintenance, Inc., pursuant to Subsection 2.1 of the Stock Purchase Agreement between the Corporation and the Shareholders, dated the 21st day of May, 1971, shall be \$ effective on the date hereof.

Executed this the \_\_\_\_\_ day of \_\_\_\_\_,  
19\_\_\_\_.

GULFCO MARINE MAINTENANCE, INC.

By\_\_\_\_\_

\_\_\_\_\_  
Shareholder

\_\_\_\_\_  
Shareholder

2.2 Before any officer of the Corporation may validly execute any such certificate on behalf of the Corporation, authorization therefor must be approved by a majority vote of the board of directors at either a regular meeting or a special meeting, the consideration of which is included in the purpose or purposes in the call therefor,

2.3 In the case of a sale or transfer, or offer of sale or transfer, of shares of the Corporation for any reason provided for in this contract, the price which the offering Shareholder shall be entitled to receive for each share of stock

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sold either to the Corporation or to the remaining Shareholder or Shareholders, except as provided for in Subsection 2.4 below, shall be a price equivalent to the then current "Value Per Share" provided for in Subsection 2.1 above.

2.4 In the event, however, that the selling Shareholder shall have received a bona fide offer to purchase such offered shares from a proposed purchaser who is neither the Corporation nor a Shareholder, then the Corporation or the remaining Shareholder or Shareholders may elect to pay either a price equivalent to such "Value Per Share" or the price (including all the terms and conditions) set forth in such offer. The election as to which price shall be paid for such shares shall be made by the Corporation if the Corporation chooses to buy all of said shares or if some of them are bought by the Corporation and some by the Shareholders, and if such shares are bought only by Shareholders, then the Shareholder purchasing the greater number of shares shall make such election on behalf of all purchasers.

2.5 If an election is made either by the Corporation, a Shareholder, or Shareholders, or a combination thereof, to purchase any such offered shares and the price to be paid therefor is that set out in Subsection 2.3, such purchaser or purchasers shall each pay to the selling Shareholder the full amount thereof in cash, or, at the election of the purchaser or purchasers, twenty-five percent

(25%) of such purchase price in cash and the balance thereof shall be evidenced by a negotiable promissory note, or notes if there be more than one purchaser, made by said purchaser or purchasers payable to the selling Shareholder in five equal annual installments bearing interest at the rate of seven percent (7%) per annum, the first installment of which shall be due and payable one year from the date the purchaser or purchasers elect to buy. Such note shall be secured by all of the shares of the Corporation's common stock being purchased, and shall contain the additional matters set forth in and shall be in substantially the form of Exhibit A attached hereto and made a part hereof.

2.6 If, under the circumstances described in Subsection 2.4, the purchaser or purchasers of such shares have the right to, and do, elect to pay for said shares the price contained in a bona fide offer made to the selling Shareholder by a proposed purchaser who is neither the Corporation nor a Shareholder, then such price shall be paid either in cash, or, at the election of the purchaser or purchasers, in the same manner as that prescribed in said third party offer in which event all of the other terms and conditions of said offer shall likewise become a part of the purchase transaction.

2.7 Notwithstanding the provisions of Subsections 2.5 and 2.6 above, if the Corporation elects to purchase any such shares and if at the time the Corporation is required to make

payment therefor the selling Shareholder is indebted to the Corporation, the full amount of such debt shall be applied in reduction of said purchase price with the full amount of said debt being first applied toward the cash portion, if any, of such price.

### Section 3

3.1 If a Shareholder desires to sell, give away, or otherwise dispose of his shares, or any of them, except for the reasons set out in Subsections 3.2 and 3.3 hereof, he shall send written notification thereof by the U. S. mails, postage prepaid, addressed to the Secretary of the Corporation at the Corporation's registered address. The Corporation shall have an option to purchase such shares at any time within a period of sixty days from the date of receipt of such notice, paying the consideration therefor provided in Subsection 2.3 or 2.4 and in the manner prescribed in Subsection 2.5 or 2.6

3.2 If a Shareholder who is an employee, officer, or director of the Corporation terminates or severs such relationship (either voluntarily or otherwise as herein provided) for any cause except death and is no longer either an employee, officer, or director, or if any Shareholder who is an employee, officer, or director, becomes disabled (as herein defined) or retires (as herein defined) then the Corporation, within a period of sixty

days from the date of severance of such relationship, the date of such disability, or the date of such retirement, as the case may be, shall have the right and option to purchase all of the shares owned by said Shareholder for the price set out in Subsection 2.3 and in the manner provided in Subsection 2.5.

3.3 If a Shareholder dies the Corporation shall have a period of ninety days from the date of such Shareholder's death in which it may purchase his shares from his heirs, executors, or administrators. The price which the Corporation shall be obligated to pay shall be that set forth in Subsection 2.3, payable in the manner provided in Subsection 2.5. Each Shareholder party to this contract hereby agrees that he will execute a Last Will and Testament providing that it shall be the duty of his Executor fully, faithfully, and expeditiously to carry out all the provisions and conditions of this agreement.

3.4 If the Corporation elects not to exercise its right and option to purchase or if it is prohibited, for reasons set out in Subsection 1.3, from purchasing any shares which it has the right to purchase, whether the same be under Subsection 3.1, 3.2, or 3.3, then, within the time provided in such Subsections for the Corporation to make such purchase, the Secretary of the Corporation shall send written notice by U. S. mails, postage prepaid, to the selling Shareholder and to all other Shareholders, at their latest

addresses on record with the Corporation, advising them of the number of shares, if any, which the Corporation elects not to purchase, and the price thereof. All such Shareholders, other than the selling Shareholder, for a period of thirty days from the date of such notice to them, shall have the right and option, but shall not be obligated, to purchase, on a pro rata basis, all such shares which the Corporation has elected not to purchase or is prohibited from purchasing, in which event the price which such purchasing Shareholders shall pay for the stock shall be paid in the manner set out in Subsection 2.5 or 2.6 as the case may be.

3.5 If, upon completion of the procedures prescribed above in this Section, any of the shares of such selling Shareholder have not been sold pursuant thereto, the selling Shareholder shall then be free, at any time after the expiration of the thirty-day period set out in 3.4 above, to transfer all or any part of such shares at any time within a period of one year from said date. It is provided further that after the expiration of said one-year period such shares shall again be subject to all of the above transfer restrictions.



3.6 At any time after the expiration of the thirty-day period prescribed in 3.4 above, a Shareholder who has complied with the procedures specified above and has not had all of the shares purchased as therein provided for, may tender his certificates representing such unpurchased shares to the Secretary of the Corporation for attachment thereto of a certificate reading as follows:

"This is to certify that the shares of the common stock of Gulfco Marine Maintenance, Inc., represented by the attached certificate number \_\_\_\_\_, dated \_\_\_\_\_, in the name of \_\_\_\_\_, and evidencing the ownership by said named shareholder of \_\_\_\_\_ shares of the common stock of said Corporation were duly first offered by said named Shareholder to the Corporation and then to the other Shareholders of said Corporation in compliance with the provisions of the bylaws of the Corporation and that certain contract by and between the Corporation and its Shareholders, dated the 21st day of May, 1971, and were not purchased pursuant thereto; the restrictions against the transfer thereof by the said named Shareholder which would otherwise apply by virtue of the provisions of said bylaws and contract are, pursuant to the terms thereof, suspended for a period of one year from the \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_\_\_, as to said Shareholder and said shares until the transfer thereof to another party, when such restrictions will again be in full force and effect as to such shares in the ownership of such party."

3.7 Anything herein to the contrary notwithstanding, it is expressly provided that if either the Corporation or any Shareholder or Shareholders shall elect to purchase any shares of the Corporation which may be offered by any selling Shareholder

pursuant to any of the provisions anywhere hereinabove set out, then as a condition to said purchase, the Corporation, if it be the sole purchaser, or the Corporation and any purchasing Shareholder or Shareholders, in the event that some of the shares are purchased by the Corporation and some of the shares are purchased by such other Shareholder or Shareholders, or the purchasing Shareholder or Shareholders only, in the event that the Corporation purchases none of said shares but such Shareholder or Shareholders elect to purchase some or all of said shares, shall make arrangements with the creditors of the Corporation, prior to and contingent upon such purchase, for the selling Shareholder to be relieved of any and all personal liability, contingent or otherwise, for the debts or financial obligations of the Corporation, whether the same shall have been expressly guaranteed or assumed by said selling Shareholder or imposed upon him in any other manner whatsoever.

#### Section 4

4.1 All transfers of shares by a selling Shareholder either to the Corporation or to another Shareholder hereunder shall be free and clear of all liens and encumbrances except to the extent that a selling Shareholder shall have the right to have such shares pledged as collateral to secure the payment of the promissory note issued by the Corporation or a purchasing Shareholder or Shareholders in part payment of such shares as

provided for in Subsection 2.5.

4.2 Except as provided in said Subsection 2.5, no Shareholder shall hypothecate, encumber, or pledge any of his shares of common stock in the Corporation as collateral or security for any loan, debt, or other obligation, without first having received the written consent and approval of all other Shareholders and the Corporation, and, following such consent and approval, anyone acquiring said shares through any foreclosure or other proceedings in connection with any such loan, indebtedness, or other obligation, shall take such shares subject to all the restrictions, obligations, terms, and conditions of this agreement.

4.3 There shall be endorsed on each certificate evidencing ownership of the common shares of the Corporation the following:

On the face of the certificate: "SEE REFERENCE TO TRANSFER RESTRICTIONS ON THE REVERSE SIDE."

On the reverse side of the certificate: "THE COMMON SHARES OF THIS CORPORATION REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY, HYPOTHECATION, OR PLEDGE IMPOSED BY AN AGREEMENT DATED THE 21ST DAY OF MAY, 1971, (WHICH IS INCORPORATED BY REFERENCE INTO THE BYLAWS OF THE CORPORATION) AMONG THE CORPORATION AND ALL OF ITS SHAREHOLDERS, WHICH GIVES TO THE CORPORATION AND THEN TO THE OTHER SHAREHOLDERS AN OPTION TO PURCHASE SUCH SHARES IN CERTAIN INSTANCES. A COPY

OF SUCH AGREEMENT IS ON FILE IN THE OFFICE OF THE SECRETARY OF STATE OF THE STATE OF TEXAS AND WITH THE SECRETARY OF THE CORPORATION."

4.4 The Corporation agrees that so long as this contract is in effect, any issuance by it of additional shares of common stock of the Corporation, regardless of class, shall be made subject to all the terms and conditions hereof.

4.5 The parties further agree to execute such documents or to make such further endorsements on their stock certificates as may be necessary in the opinion of counsel for the Corporation to effectuate the purposes and intent of this agreement

4.6 It is expressly agreed that anything herein to the contrary notwithstanding the provisions hereof shall not apply, and this agreement shall thereupon terminate, in the event that such number of Shareholders as may be required by law, shall vote their shares in favor of merging or consolidating the Corporation with some other corporation, whether the Corporation be the survivor or not, or in the event that the Corporation becomes a party to any re-organization within the meaning of Section 368(a) of the Internal Revenue Code.

4.7 Any attempted sale, transfer, assignment, hypothecation, or pledge of any share of the Corporation in violation of or contrary to, the terms of this agreement shall be null and void.

4.8 This agreement and the terms and provisions hereof shall be binding upon any person who may acquire any shares of the

Corporation or any interests therein, whether by voluntary transfer or by operation of law, and no person shall be permitted to become a holder of record of any of the shares of the Corporation or any interest therein without first expressly acknowledging in writing that such shares will continue to be subject to the terms and provisions of this agreement.

4.9 This agreement shall be binding upon the parties, their successors, heirs, legal representatives, administrators, executors, and assigns. It shall begin on the date and year first above written and, unless sooner terminated as hereinabove provided, shall endure until the occurrence of any of the following events:

- (a) Cessation of the Corporation's business.
- (b) Liquidation, dissolution, or bankruptcy, of the Corporation.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

GULFCO MARINE MAINTENANCE, INC.

ATTEST:

By B. S. Sandlin  
PRESIDENT

B. E. Janner  
Secretary

B. E. Janner  
Shareholder

B. S. Sandlin  
Shareholder

EXHIBIT A

(Proposed form of promissory note.)

Promissory Note

Freeport, Texas

\$(Principal sum)

For value received, Gulfco Marine Maintenance, Inc., a Texas corporation with offices at Freeport, Texas, hereby promises to pay to the order of \_\_\_\_\_ the sum of \$\_\_\_\_\_ in installments as follows: five (5) equal annual installments in the principal sum of \$\_\_\_\_\_ each, the first such installment to be due and payable on or before the \_\_\_\_\_ day of \_\_\_\_\_, 197\_\_\_\_, and a like installment to be due and payable on or before the \_\_\_\_\_ day of \_\_\_\_\_ of each of the years thereafter until paid, plus interest on the then unpaid principal balance from the date hereof until paid at the rate of seven percent (7%) per annum, both principal and interest to be paid at Freeport, Texas.

Each party to this note, whether as maker, comaker, surety, endorser or guarantor, severally waives presentment for

payment, demand, protest and notice of protest and dishonor of the same.

Failure to pay any installment of principal or interest or any part thereof when due shall, at the election of the holder after ten days' notice, mature the whole of said note, and it shall at once become due and payable; but unaccrued interest shall not so become payable or collectible unless and until earned.

If this note is placed with an attorney for collection, or if suit is instituted to enforce payment, or if claim is filed hereon in a probate or bankruptcy court, the maker promises to pay as attorneys' fees, an additional amount equal to ten percent (10%) of the amount then owing.

As collateral security for the payment of this note the maker has deposited with the payee hereof the following property:

Certificate No. \_\_\_\_\_, issued to \_\_\_\_\_  
\_\_\_\_\_, evidencing ownership of  
\_\_\_\_\_ shares of the common stock of Gulfco  
Marine Maintenance, Inc.

Upon default the maker hereof hereby authorizes the holder to sell the collateral pledged either at public or private sale but subject to all of the transfer restrictions imposed upon

the sale or other disposition of said stock by that certain agree-  
ment dated as of the \_\_\_\_\_ day of \_\_\_\_\_, 1971,  
by, between, and among Gulfco Marine Maintenance, Inc., and its  
Shareholders.

GULFCO MARINE MAINTENANCE, INC.

By \_\_\_\_\_  
President

MAKER

ATTEST:

\_\_\_\_\_  
Secretary



FILED  
In the Office of the  
Secretary of State of Texas

JAN 08 1973

ARTICLES OF AMENDMENT  
BY THE SHAREHOLDERS  
TO THE  
ARTICLES OF INCORPORATION OF  
GULFCO MARINE MAINTENANCE, INC.

*Bill Zimmerman*

Deputy Director, Corporation Division

Pursuant to the provisions of Article 4.04 of the Texas Business Corporation Act, the undersigned Corporation adopts the following Articles of Amendment to its Articles of Incorporation which changes the name of the Corporation.

ARTICLE ONE

The present name of the Corporation is Gulfco Marine Maintenance, Inc.

ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the shareholders of the Corporation on January 3, 1973:

Article One of the Articles of Incorporation is hereby amended so as to read as follows:

"ARTICLE ONE

The name of the Corporation is Gulfco, Inc."

ARTICLE THREE

The number of shares of the Corporation outstanding at the time of such adoption was 2,000 and the number of shares entitled to vote was 2,000.

ARTICLE FOUR

The holders of all of the shares outstanding and entitled to vote on said amendment have signed a consent in writing adopting

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said amendment.

Dated the 3rd day of January, 1973.

GULFCO MARINE MAINTENANCE, INC.

By B. L. Tanner  
Its President

Raymond J. Fields  
Its Secretary  
Assistant

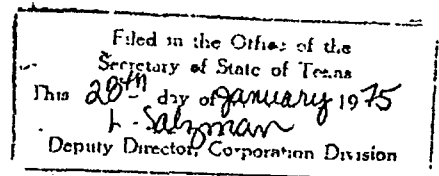
THE STATE OF TEXAS X

COUNTY OF BRAZORIA X

I, Raymond J. Fields, Jr., a Notary Public, do hereby certify that on this 5th day of January, 1973, personally appeared before me B. L. Tanner, who declared he is President of the corporation executing the foregoing document, and being first duly sworn, acknowledged that he signed the foregoing document in the capacity therein set forth and declared that the statements therein contained are true.

IN WITNESS WHEREOF, I have hereunto set my hand and seal the day and year before written.

Raymond J. Fields, Jr.  
Raymond J. Fields, Jr.  
Notary Public in and for  
Brazoria County, Texas.  
My commission expires June 1, 1973.



STATEMENT OF CHANGE OF REGISTERED  
OFFICE OR REGISTERED AGENT, OR BOTH,  
BY A TEXAS DOMESTIC CORPORATION

1. The name of the corporation is GULFCO, INC.  
(Charter No. 259771)
2. The address, including street and number, of its present registered office (before change) is 624 Mockingbird Lane, Lake Barbara, Texas 77531
3. The address, including street and number, to which its registered office is to be changed is (P. O. Drawer 'O') 41 County Road 756, Freeport, Texas 77541
4. The name of its present registered agent (before change) is B. G. Sandlin
5. The name of its new registered agent is B. L. Tanner
6. The address of its registered office and the address of the business office of its registered agent, as changed, will be identical.
7. Such change was authorized by its board of directors.  
January 3, 1973

B. L. Tanner  
President or Vice President

Sworn to this 24th day of January, 19 75

Bettye Murrell  
Notary Public, State of TEXAS,  
County of BRAZORIA

INSTRUCTIONS:

Submit two (2) copies with genuine signatures and notary seal on each.  
Filing fee for a business (for profit) corporation is \$10.00  
Filing fee for a non-profit corporation is \$5.00.

ARTICLES OF MERGER  
OF  
GULFCO, INC.  
INTO  
CHROMALLOY AMERICAN CORPORATION

NOV 03 1975

*James B. Chote*  
Deputy Director, Corporation Division

Pursuant to the provisions of Article 5.07 of the Texas Business Corporation Act, the undersigned domestic and foreign corporations adopt the following Articles of Merger for the purpose of merging the domestic corporation into the foreign corporation.

1. The names of the undersigned corporations and the States under the laws of which they are respectively organized are:

<u>NAME OF CORPORATION</u>	<u>STATE</u>
Chromalloy American Corporation	Delaware
Gulfco, Inc.	Texas

2. The laws of Delaware, the state under which such foreign corporation is organized, permit such merger.

3. The name of the surviving corporation is Chromalloy American Corporation, and it is to be governed by the laws of the State of Delaware. Its registered office in the state under whose laws it is to be governed is located at 100 West Tenth Street, Wilmington, Delaware.

4. The surviving corporation, Chromalloy American Corporation, has previously been qualified as a foreign corporation authorized to transact business in the State of Texas.

5. An Agreement and Plan of Merger (the "Plan") was approved by the shareholders of the undersigned domestic corporation in the manner prescribed by the Texas Business Corporation Act, and was approved by the undersigned foreign corporation in the manner

prescribed by the laws of Delaware, the state under which it is organized. Attached hereto is a true copy of the Certificate of Merger effecting the merger provided for herein in the State of Delaware, the jurisdiction where the surviving corporation is incorporated, duly certified by a public official of that State together with a true copy of the Plan.

6. As to each of the undersigned corporations, the number of shares outstanding, and the designation and number of outstanding shares of each class entitled to vote as a class on such Plan, are as follows:

<u>NAME OF CORPORATION</u>	<u>NUMBER OF SHARES OUTSTANDING</u>	<u>CLASS</u>	<u>NUMBER OF SHARES ENTITLED TO VOTE AS A CLASS</u>
Chromalloy American Corporation	593,164	Preferred	) None. Said merger was approved by action of Chromalloy American Corporation's Board of Directors as permitted by and pursuant to Sections 252 and 251(f) of the Delaware Corporation Law.
Chromalloy American Corporation	10,010,441	Common	)
Gulfco, Inc.	2,649	Common	2,649

7. As to each of the undersigned corporations, the total number of shares voted for and against such Plan, respectively, and, as to each class entitled to vote thereon as a class, the number of shares of such class voted for and against such Plan, respectively, are as follows:

<u>NAME OF CORPORATION</u>	<u>TOTAL VOTED:</u>		<u>CLASS</u>	<u>NUMBER OF SHARES ENTITLED TO VOTE AS A CLASS</u>
	<u>FOR</u>	<u>AGAINST</u>		
Chromalloy American Corporation	NONE - SEE ABOVE RE: ADOPTION OF MERGER BY ACTION OF THE BOARD OF DIRECTORS			
Gulfco, Inc.	2,649	0	Common	2,649

8. Chromalloy American Corporation, the surviving corporation, hereby: (a) agrees that it may be served with process in the State of Texas in any proceeding for the enforcement of any obligation of the undersigned domestic corporation and in any proceeding for the enforcement of the rights of a dissenting shareholder of such domestic corporation against the surviving corporation; (b) irrevocably appoints the Secretary of State of Texas as its agent to accept service of process in any such proceeding and states that the post office address to which the Secretary of State may mail a copy of any process that may be served upon him is 120 South Central Avenue, St. Louis, Missouri 63105; and (c) agrees that it will promptly pay to the dissenting shareholders of such domestic corporation the amount, if any, to which they shall be entitled under the provisions of the Texas Business Corporation Act with respect to the rights of dissenting shareholders.

Dated October 24, 1975.

GULFCO, INC.

No  
(SEAL)

By B. L. Tanner  
B. L. Tanner, President

By Bettye J. Murrell  
Bettye J. Murrell, Secretary

CHROMALLOY AMERICAN CORPORATION

By W. S. Walch  
W. S. Walch, Executive Vice President

By M. S. Harris Asst. Sec.  
M. S. Harris, Assistant Secretary

(SEAL)

STATE OF TEXAS           )  
                                  ) SS.  
COUNTY OF BRAZORIA )

I, Linda J. Greer, a Notary Public, do hereby certify that on this 24th day of October, 1975, personally appeared before me B. L. Tanner who, being by me first duly sworn, declared that he is the President of Gulfco, Inc., that he signed the foregoing document as President of the corporation, and that the statements contained therein are true.

Linda J. Greer  
Linda J. Greer, Notary Public

(SEAL)

My commission expires: June 1, 1977

STATE OF MISSOURI       )  
                                  ) SS.  
COUNTY OF ST. LOUIS )

I, Judith Ries, a Notary Public, do hereby certify that on this 24th day of October, 1975, personally appeared before me W. S. Walch, who, being by me first duly sworn, declared that he is an Executive Vice President of Chromalloy American Corporation, that he signed the foregoing document as Executive Vice President of the corporation, and that the statements contained therein are true.

Judith Ries  
Judith Ries, Notary Public

(SEAL)

My Commission expires: February 1, 1978

CERTIFICATE OF MERGER  
OF  
GULFCO, INC.  
INTO  
CHROMALLOY AMERICAN CORPORATION

The undersigned corporation

DOES HEREBY CERTIFY:

FIRST: The name and state of incorporation of each of the constituent corporations of the merger is as follows:

<u>NAME</u>	<u>STATE OF INCORPORATION</u>
GulfcO, Inc.	Texas
Chromalloy American Corporation	Delaware

SECOND: An Agreement and Plan of Merger between the parties to the merger has been approved, adopted, certified, executed and acknowledged by each of the constituent corporations in accordance with the requirements of subsection (c) of Section 252 of the General Corporation Law of the State of Delaware.

THIRD: The name of the surviving corporation of the merger is Chromalloy American Corporation, a Delaware corporation.

FOURTH: The Certificate of Incorporation of Chromalloy American Corporation, a Delaware corporation, shall be the Certificate of Incorporation of the surviving corporation.

FIFTH: The executed Agreement and Plan of Merger is on file at the principal place of business of the surviving corporation. The address of said principal place of business is: Chromalloy American Corporation, 120 South Central Avenue, Clayton, Missouri 63105, Attention: Corporate Secretary.



SIXTH: A copy of the Agreement and Plan of Merger will be furnished on request and without cost to any stockholder of any constituent corporation.

SEVENTH: The authorized capital stock of the foreign corporation which is a party to the merger is as follows:

<u>CORPORATION</u>	<u>CLASS</u>	<u>NUMBER OF AUTHORIZED SHARES</u>	<u>PAR VALUE PER SHARE</u>
Gulfco, Inc.	Common	100,000	no par value

EIGHTH: This Certificate of Merger shall be effective on the later of October 24, 1975, or the date of filing with the Secretary of State of the State of Delaware.

CHROMALLOY AMERICAN CORPORATION

By W. Stanley Walch  
W. Stanley Walch  
Executive Vice President

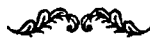
(SEAL)

ATTEST:

BY M. S. Harris  
Assistant Secretary



# State of DELAWARE

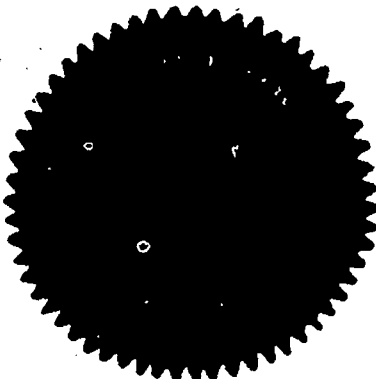


Office of SECRETARY OF STATE

*I, Robert H. Reed, Secretary of State of the State of Delaware,*  
do hereby certify that the above and foregoing is a true and correct copy of  
Certificate of Merger of the "GULFCO, INC.", a corporation organized and existing  
under the laws of the State of Texas, merging with and into the "CHROMALLOY AMERICAN  
CORPORATION", a corporation organized and existing under the laws of the State of  
Delaware, under the name of "CHROMALLOY AMERICAN CORPORATION", as received and filed  
in this office the twenty-fourth day of October, A.D. 1975, at 2 o'clock P.M.

And I do hereby further certify that the aforesaid Corporation shall be  
governed by the laws of the State of Delaware.

In Testimony Whereof, I have hereunto set my hand  
and official seal at Dover this twenty-fourth day  
of October in the year of our Lord  
one thousand nine hundred and seventy-five.



Robert H. Reed

Secretary of State

Grover A. Biddle Assistant Secretary of State

AGREEMENT AND PLAN OF MERGER  
OF  
GULFCO, INC.  
INTO  
CHROMALLOY AMERICAN CORPORATION

THIS AGREEMENT AND PLAN OF MERGER (the "Agreement") dated the 24th day of October, 1975, among CHROMALLOY AMERICAN CORPORATION, a Delaware corporation, GULFCO, INC., a Texas corporation (the "Company"), and MR. B. L. TANNER, individually and as sole stockholder of the Company ("Stockholder").

1. RECITALS

1.01 Plan of Reorganization. Under the terms of this Agreement, the respective parties have entered into a plan of reorganization providing for the statutory merger of the Company into Chromalloy and the conversion of the previously outstanding capital stock of the Company into Chromalloy voting stock.

1.02 Outstanding Shares of Company. The authorized capital stock of the Company consists of 100,000 shares of no par value capital stock, of which 2,649 shares are issued and outstanding and owned by the Stockholder. Said issued and outstanding shares are hereinafter sometimes collectively referred to as the "Company Stock".

1.03 Constituent and Surviving Corporations. Chromalloy and the Company are hereinafter sometimes referred to as the

"Constituent Corporations," and Chromalloy as the corporation surviving the merger, which will continue under its own name and Certificate of Incorporation after the merger, is hereinafter sometimes referred to as the "Surviving Corporation."

1.04 Action by Boards of Directors. The Boards of Directors of Chromalloy and the Company deem it advisable for the general welfare and advantage of the corporations and their respective stockholders that the Company merge into Chromalloy pursuant to this Agreement and the applicable provisions of the laws of the States of Delaware and Texas, and that upon such merger, all of the outstanding shares of Company Stock shall be converted and changed into an aggregate of 40,500 shares of Chromalloy's \$1.00 par value Common Stock. Accordingly, the Boards of Directors of the Company and of Chromalloy have approved this Agreement.

1.05 Shares Entitled to Vote. The Stockholder as owner of all the Company Stock is entitled to vote on the merger, and by execution of this Agreement has, by written consent, voted all of the outstanding shares of the Company Stock in favor of this merger pursuant to the applicable provisions of the Texas Business Corporation Act. The Stockholder further agrees to do whatever is required to further evidence his vote in favor of and adoption of the merger provided for herein. Chromalloy Stockholders are not required to vote on nor will the merger be submitted to such Stockholders for approval by reason of the fact that by virtue of Section 252(e) of the Delaware Corporation Law, Chromalloy is entitled to enter into and approve the merger

provided for herein on the basis of the aforesaid action by its Board of Directors.

## 2. CLOSING AND EFFECTIVE DATE

2.01 The Closing. The Closing of the Merger shall take place on the Closing Date at the offices of the Company, Mile 393 Intercoastal Waterway, Freeport, Texas at 10:00 a.m. or at such other time and place as the parties may agree upon. Unless otherwise agreed, the Closing Date shall be October 24, 1975.

2.02 The Effective Date. The "Effective Date" shall mean the date upon which the requisite certificate or other document effecting the merger provided for herein are duly filed with the Secretary of State of the State of Delaware. The parties agree to use their best efforts to cause the filing in Delaware to occur on the Closing Date. In the event of a delay in such filing, however, which is beyond the control of the parties, the Effective Date shall be the date of actual completion of filing of the requisite merger documents with the Secretary of State of the State of Delaware, and, notwithstanding Section 2.01, the Closing shall not be deemed completed on the Closing Date, but shall be continued from day to day until the Effective Date. Promptly after the Effective Date, the Surviving Corporation agrees to file the requisite Articles of Merger and other documents (including the requisite certificate of the Delaware Secretary of State) in the office of the Secretary of State of the State of Texas, and the merger provided for herein will not be consummated

for purposes of Texas law until such filing is completed. For all other purposes (except the tax and accounting data described in Section 12.04) the merger will be deemed consummated on the Effective Date.

2.03 Execution of Formal Merger Documents. Prior to the Closing Date, Chromalloy and the Company shall execute, with blank date, a Certificate of Merger and Articles of Merger (substantially in the forms of Exhibits A and B attached hereto) and other requisite instruments of merger to be filed or recorded as provided by the laws of Delaware and Texas (the "Merger Documents"). The Merger Documents shall promptly be transmitted by Chromalloy's counsel to the office of the Secretaries of State of the States of Delaware and Texas respectively to hold for such further action as may be directed by joint instructions of counsel for the parties, including filing and/or recording on the Closing Date, in order that the merger contemplated by this plan of merger shall become effective on the Closing Date or as soon thereafter as reasonably possible, it being understood and agreed that the Merger Documents shall be filed in such a manner and with appropriate instructions that the merger shall become effective in both the States of Texas and Delaware.

2.04 Execution of Further Documents. Upon the request of Chromalloy at any time following the Effective Date of the merger, and from time to time thereafter, the Stockholder, officers and directors of the Company as of the Effective Date of the merger will forthwith execute and deliver such further

instruments of assignment, transfer, conveyance, endorsement, direction or authorization as Chromalloy or its counsel may reasonably request in order to perfect the title of Chromalloy and its successors and assigns, in and to the business, interests in real property, and all other assets of the Company as of the Effective Date of the merger.

### 3. BASIC TERMS OF THE MERGER

3.01 The Merger. At the Effective Date, the Company shall be merged into Chromalloy on the terms and conditions set forth hereinafter and in the Merger Documents, including the Certificate of Merger and Articles of Merger substantially in the forms of Exhibits A and B, as permitted by and in accordance with the Delaware Corporation Law and the Texas Business Corporation Act. The merger shall become effective at the time and date described in Section 2.02.

3.02 Surviving Corporation. At the Effective Date, the separate existence of the Company shall cease and Chromalloy, as the Surviving Corporation, shall continue to exist as a corporation governed by the laws of the State of Delaware under its name "Chromalloy American Corporation." The Surviving Corporation shall thereafter, consistent with its Certificate of Incorporation, possess all the rights, privileges, powers, franchises and purposes of each of the Constituent Corporations; all the property, real, personal and mixed, of the Constituent Corporations shall vest in the Surviving Corporation without further act or deed; and the Surviving Corporation shall become liable

for all debts, liabilities, obligations and duties of the Company, with all other consequences provided under the laws of Delaware and Texas. At any time or from time to time after the Effective Date, the last acting officers of the Company, or the corresponding officers of the Surviving Corporation, shall in the name of the Company execute and deliver all such deeds, assignments and other instruments and take all such further action as the Surviving Corporation may deem necessary in order to carry out the intent and purpose of this Agreement.

3.03 Certificate of Incorporation; By-Laws; Officers and Directors. The Certificate of Incorporation of Chromalloy and the By-Laws of Chromalloy immediately prior to the Effective Date shall continue to be the Certificate of Incorporation and By-Laws of the Surviving Corporation after the Effective Date until amended in accordance with the applicable law. At the Effective Date, the officers and directors of the Surviving Corporation shall continue as immediately prior to such date.

3.04 Company Stock. At the Effective Date, all shares of Company Stock then issued and outstanding shall be converted into and become a total of 40,500 shares of Chromalloy's Common Stock, \$1.00 par value, (hereinafter sometimes referred to as "Chromalloy Stock") representing (subject to adjustment as hereinafter provided) one share of Chromalloy Stock for each .0654 outstanding shares of Company Stock. Stockholder shall surrender all of his shares of Company Stock to the Surviving Corporation or its designated agent and shall, subject to the additional



conditions to delivery hereinafter stated, receive in exchange a certificate or certificates representing 40,500 shares of Chromalloy Stock into which such shares of Company Stock have been converted. The Chromalloy Stock into which the Company Stock is converted may be previously issued and reacquired shares of Chromalloy Stock presently held by Chromalloy in its treasury.

#### 4. DEPOSIT SHARES

4.01 Deposit of Chromalloy Stock. By execution of this Agreement, Stockholder irrevocably agrees, on the Closing Date, to deposit 6,000 shares (hereinafter referred to as "Deposit Shares") of the 40,500 shares of Chromalloy Stock referred to in Section 3.04 with Chromalloy, which Deposit Shares shall be held and applied by Chromalloy in accordance with the provisions of this Section 4.01 and Article 11. Chromalloy's transfer agent, acting on its behalf, is authorized to issue at least two (2) certificates for the total number of shares of Chromalloy Stock that Stockholder is entitled to receive, one certificate for the number of Deposit Shares that Stockholder is obligated to deposit with Chromalloy, and a second certificate for the balance to be delivered at the Effective Date. In addition to the requirements of Section 3.05, Stockholder shall not be entitled to receive possession of certificates for or dividends on the Chromalloy Stock into which his previously outstanding shares of Company Stock have been converted by the terms of this Agreement until (i) his Deposit Shares have been delivered to Chromalloy, and (ii) he delivers a duly endorsed stock power in blank (with

signatures guaranteed by a bank or trust company or a brokerage firm with membership on the New York Stock Exchange) to Chromalloy or its transfer agent. The Deposit Shares shall be held and may be applied by Chromalloy in accordance with the following provisions of this Section 4.01 and of Article 11:

(a) Chromalloy shall have the right to offset against and reduce the number of Deposit Shares to the extent that Chromalloy shall be entitled to indemnification under any provision of this Agreement. At least thirty (30) days prior to exercising any such right of offset, Chromalloy shall notify the Stockholder in writing (the "Claims Notice") of the proposed offset, which notice shall include a specific description of the nature and basis of the claim for indemnification upon which said offset is predicated. If Stockholder objects to any proposed offset by Chromalloy, he shall do so by notifying Chromalloy, in writing, of his specific objections prior to the expiration of the thirty (30) day period and request arbitration of Chromalloy's right to offset. Within fifteen (15) days after receipt of the Stockholder's objections, Chromalloy and Stockholder shall each select an arbitrator. Such arbitrator shall promptly select a third arbitrator. Chromalloy and Stockholder shall each pay the fees and expenses of their respective arbitrator and the fees and expenses of the third arbitrator shall be paid by one or both parties and in such proportions as the arbitrators decide. The determination of such differences by a majority of the arbitrators shall be

binding upon Chromalloy and the Stockholder and shall establish the amount of any such offset claim against the Deposit Shares for the purposes of this Agreement. The arbitrators, or a majority of them, shall deliver promptly to Chromalloy and Stockholder a certificate setting forth their determination. The arbitration provided for herein shall be conducted in St. Louis, Missouri, in accordance with the rules of the American Arbitration Society. If Stockholder fails to invoke the aforesaid arbitration procedure, offsets effected by Chromalloy against the Deposit Shares will be deemed final and binding.

(b) For purposes of indemnification, each Deposit Share shall be valued at the published closing price of Chromalloy's Common Stock on the New York Stock Exchange on the date of this Agreement.

(c) The term "Deposit Period" as used throughout this Agreement means the period from the Effective Date until October 31, 1978, or until the expiration of the period described in Section 11.03 for federal income tax deficiency claims with respect to taxable years of the Company ending on or before November 1, 1975, whichever is later; provided, however, the Deposit Period shall be deemed continued with respect to Deposit Shares withheld by Chromalloy pursuant to the provisions of subsection (f) of this Section 4.01 until such time as the withheld Deposit Shares are

used to offset indemnity claims or delivered to the Stockholder upon final resolution of the pending or threatened claims described therein.

(d) During the Deposit Period and prior to Chromalloy's exercise of its right of offset as provided herein, Stockholder shall be the beneficial owner of the number of Deposit Shares deposited by him on the Closing Date.

(e) During the Deposit Period, (i) the Deposit Shares may (but need not) be registered in the name of Chromalloy or its nominee; (ii) all cash dividends, notices, proxy statements or other communications received by Chromalloy or its nominee as record holder of the Deposit Shares shall be promptly transmitted to the Stockholder; (iii) Chromalloy or its nominee, as the case may be, shall act in accordance with any instructions received from the Stockholder with regard to the manner of exercise of any voting or other rights accruing in respect of the Deposit Shares in which Stockholder has an interest; and (iv) Chromalloy shall retain and hold as part of the Deposit Shares all stock dividends and other distributions (other than cash dividends) received with respect to the Deposit Shares, including securities and other property issued or distributed in connection with any change or reclassification affecting the Deposit Shares (whether upon a stock split or stock dividend or otherwise).

(f) Within forty-five (45) days after the expiration of the Deposit Period Chromalloy shall deliver to

Stockholder the Deposit Shares that he is entitled to receive after deducting therefrom (i) any Deposit Shares applied for indemnification purposes pursuant to the foregoing, and (ii) any Deposit Shares as may be tentatively applied or reserved for such purpose by Chromalloy pursuant to a preliminary notice with respect to any pending claims with respect to which indemnification would be payable hereunder. With respect to item (ii) of the preceding sentence, Chromalloy shall be entitled to retain Deposit Shares equal in value to one hundred and twenty five percent (125%) of Chromalloy's best estimate of the dollar amount of aggregate pending claims, said share value being determined as provided in subsection 4.01(b). In the event any Deposit Shares are withheld by Chromalloy at the end of the Deposit Period on account of pending claims, Chromalloy shall deliver to Stockholder such withheld Deposit Shares to which Stockholder is entitled as are not utilized by it for indemnification purposes promptly following final resolution of such pending or threatened claims.

(g) During the Deposit Period, the beneficial owner of the Deposit Shares shall have no right, without the consent of Chromalloy, to transfer or otherwise dispose of his beneficial interest therein except for transfers occasioned by death or operation of law.

## 5. REPRESENTATIONS AND WARRANTIES OF COMPANY

Company and Stockholder jointly and severally agree, represent, warrant, and covenant to Chromalloy as follows:

5.01 Organization and Qualification. Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Texas, has corporate power and authority to own its property and to carry on its business as it is now being conducted, and Company is not required to be qualified in any other jurisdiction.

5.02 Capital Stock. The authorized and outstanding shares of capital stock of Company are now and immediately prior to the effectiveness of the merger will be as stated in Section 1.02 of this Agreement. The rights of said outstanding shares of capital stock have not been altered or amended since March 31, 1975, either by amendment to the Company's Articles of Incorporation or By-Laws, or otherwise. All of such outstanding shares have been validly issued, fully paid and non-assessable. There are no outstanding options, contracts (other than this Agreement), or commitments entitling any person to purchase or otherwise acquire any shares of Company Stock from the issuer.

5.03 Subsidiaries. Company owns no subsidiaries.

5.04 Permits. Company possesses all the licenses, franchises, permits and other governmental authorizations necessary for the continued conduct of its business without material

interference or interruption, and except as otherwise detailed in Schedule 5.04 Chromalloy, as successor by merger to the Company's business, will succeed to all such licenses, franchises and permits without the necessity of obtaining further governmental authorizations or approvals.

5.05 Financial Statements. Company has delivered to Chromalloy copies of the following (hereinafter sometimes collectively referred to as Company's "Financial Statements"):

(i) Balance Sheet of the Company as at March 31, 1975, and related Statements of Shareholder's Equity, Income and Changes in Financial Position for the fiscal year then ended, certified by Paul, Moss and Walston, Inc., Certified Public Accountants;

(ii) Balance Sheet of the Company as at August 31, 1975, with related Statements of Operations and Retained Earnings and Changes in Financial Position for the five month period then ended, certified by an officer of the Company.

All such Financial Statements have been prepared in conformity with generally accepted accounting principles consistently applied, and fairly present the financial condition of Company as at the dates indicated and the results of its operations for the periods ended thereon. At August 31, 1975, Company had

no material liabilities, contingent or otherwise, not reflected in its balance sheet as of that date or in Schedule 5.05 attached hereto. The Financial Statements dated August 31, 1975, recognize losses on all uncompleted contracts of the Company in effect on that date and such losses have been classified to the proper contracts. Since August 31, 1975, except as contemplated or permitted by this Agreement:

(a) Company has not declared or paid any dividend or made any other distribution on its Company Stock;

(b) Company has not incurred any indebtedness maturing by its terms or at the option of the obligor more than twelve (12) months after the date such indebtedness is incurred;

(c) there has been no material adverse change in the condition (financial or otherwise) or results of operations of Company;

(d) the business properties or assets of Company have not been adversely affected as the result of any strike, fire, accident, natural disaster or other casualty in a way material to Company; and

(e) Company has not entered into any contractual obligation involving commitments to perform work other than those listed in the Financial Statements or Schedule



5.09 nor has it incurred any liabilities not in the ordinary course of business.

5.06 Assets. Delivered herewith as Schedule 5.06 is a brief description of all real properties owned by or leased to Company, including all buildings and structures located thereon, and all items held by Company for its customers on August 31, 1975. Schedule 5.06 accurately describes the written and verbal lease terms and purchase options the Company has with respect to certain real estate. With the exception of liens disclosed in the Financial Statements, liens for taxes accrued but not yet payable and liens arising as a matter of law in the ordinary course of business as to which there is no known default, Company has good, marketable and unencumbered title to all of its respective properties and assets, including without limitation all of the real estate, accounts receivable, patent rights to which it has licenses, inventory, machinery, equipment, furniture, fixtures, and vehicles, including without limitation all of the assets reflected in the Balance Sheet dated August 31, 1975. To the best of the Company's knowledge, none of the plants, buildings, structures and appurtenances or equipment of Company nor the operation or maintenance thereof as now operated and maintained contravenes any applicable zoning ordinance or other administrative regulation or violates any restrictive covenant or any provision of law, the enforcement of which would in any

material respect interfere with the continued operation of the business of the Company in substantially the manner in which such business is presently being conducted or would affect the value of the properties and assets of the Company. Taken as a whole and with due consideration for age and normal usage, all of the plants, buildings, structures, appurtenances, machinery and equipment of Company which are currently in use and are necessary for the normal operations of its business are in good operating condition and in a state of reasonable maintenance and repair, and none of such plants, buildings, structures, appurtenances, machinery or equipment is the subject of any pending or threatened condemnation proceedings or other litigation except as set out in Schedule 5.19.

5.07 Accounts Receivable. The accounts receivable listed in the Balance Sheet dated August 31, 1975, and any accounts receivable arising subsequent thereto have been incurred in the ordinary course of Company's business, and all said accounts receivable, and all other debts to the Company in excess of the applicable reserves provided on the August 31, 1975 Balance Sheet constitute valid claims not subject to offset or defense, and are good and collectible.

5.08 Absence of Defaults. Company is not in default under any lease, purchase or sale contract, note, indenture, or loan agreement, or under any other agreements or arrangements which are material alone or in the aggregate, to which it is a

party or by which it is bound or affected, and neither the execution of this Agreement nor the consummation of the transactions provided for herein will result in any breach of, acceleration of the maturity of, or constitute a default under any such agreements or arrangements or under its Articles of Incorporation or By-Laws.

5.09 Agreements. Except as disclosed or provided for in the Financial Statements dated August 31, 1975, or in Schedule 5.06 or 5.09, Company is not a party to or bound by:

(a) any employment contracts or agreements or any collective bargaining or labor agreements;

(b) any pension, retirement, stock option, stock purchase, savings, profit-sharing, deferred compensation, retainer, consultant, bonus, group insurance, or any vacation pay or severance pay or other incentive or welfare contract, plan or so-called fringe benefit agreement;

(c) any contract for the purchase of any materials, supplies, equipment or inventory, or for the sale of any inventory, products or services except contracts concluded in the ordinary course of business which do not (as to each) either involve an unperformed commitment in excess

of \$10,000.00 or terminate more than one (1) year from the date hereof;

(d) any note or agreement relating to any indebtedness for borrowed money; or

(e) any lease or license to use any real or personal property providing for aggregate annual rentals with respect to any one lease of an amount in excess of \$10,000.00.

5.10 Taxes. Company has, and on the Effective Date will have timely filed all federal, state, foreign and/or local tax returns required to be filed, and has or shall have paid, or made adequate provisions for the payment of, all taxes (whether or not reflected in its tax returns as filed), due and payable (and/or accruable with respect to its respective operations for all periods to the Effective Date, including that portion of its current fiscal year to and including the Effective Date) to any city, county, state, the United States, foreign country, or any other taxing authority, and is not now and on the Effective Date will not be delinquent in the payment of any tax assessment or government charge. The tax return for the final tax period of the Company may be prepared by Company's present accountants at the Surviving Corporation's expense. No unpaid tax deficiencies or additional liabilities of any sort have been proposed by any governmental representative. No agreements for the extension of time for the assessment of any amounts of tax have been entered

into by or on behalf of Company. Company has delivered to Chromalloy true copies of its federal income tax returns for the last five (5) years. Company has withheld proper and accurate amounts from its respective employees for all periods in full and complete compliance with all tax withholding provisions (including without limitation income tax withholding, social security and unemployment taxes), of applicable federal, foreign and state laws. The hours worked by and payment made to employees of Company have not been in material violation of the Fair Labor Standards Act or any applicable state, foreign or local laws dealing with such matters. All payments due from Company (on account of employment contracts or otherwise) for employee pension benefits and employee health and welfare insurance have been paid or accrued as a liability on its books. The reserves for taxes reflected on the August 31, 1975, Balance Sheet of Company are adequate to cover all taxes, penalties and interest, whether currently due or deferred, with respect to the earnings and retained earnings of the Company for all periods prior to that date.

5.11 Inventories. All of the Company's inventories of raw materials, work in process and finished products have been priced at the lower of cost or market and are, with the exception of allowances provided for in the August 31, 1975 Balance Sheet, not obsolete and are saleable in the ordinary course of

the Company's business at first quality prices.

5.12 Products and Services. Company has for the period of four (4) years preceding the date of execution of this Agreement, performed all services rendered in a good and workmanlike manner, and where applicable, has sold to its customers fabrications and other products to which it had good title, which were merchantable, and where Company knew of a particular purpose, which were fit for such particular purpose. Company's operations have not involved infringement of any patent rights, and Company has paid all franchise fees and royalties due in connection with use of patented items and/or processes, or otherwise due in connection with its operations.

5.13 Conflict of Interest. Except as stated in this Agreement or the Financial Statements, no officers, directors or shareholder (owning five percent (5%) or more of Company's stock) of Company, nor any person who would be an heir or descendant of such officer, director or shareholder if he were not living, will immediately prior to or immediately after the effectiveness of the merger have any direct or indirect interest (except through ownership of less than five percent (5%) of the outstanding securities of corporations listed on a national securities exchange or registered under the Securities Exchange Act of 1934) in any entity which does business with the Company or is competitive with its business, or any property, asset or right which is used

by the Company in the conduct of its business.

5.14 Preservation of Business. In connection with maintenance of operations in the manner in which conducted on and prior to August 31, 1975, and preservation of its business, Company, since August 31, 1975, has:

(a) Not increased the rate of compensation payable, or to become payable, by it or made, accrued or become liable for any bonus, profit-sharing, termination or incentive payment to (i) any of its officers, directors or employees whose compensation is in excess of \$10,000 per annum, or (ii) any other of its employees except in the ordinary and usual course of business;

(b) not mortgaged, pledged or subjected to any lien, charge or encumbrance of any kind, any of its assets, tangible or intangible, exclusive of liens arising as a matter of law in the ordinary course of business as to which there is no known default;

(c) not discharged or satisfied any lien or encumbrance, or paid any obligation or liability (absolute or contingent) other than (i) current liabilities disclosed in the Balance Sheet dated August 31, 1975, and (ii) liabilities incurred since August 31, 1975, in the ordinary course of business;

(d) not bought, sold or acquired, or transferred any of its tangible assets, or cancelled any debts or claims, except in each case in the ordinary and usual course of business;

(e) not sold, assigned, transferred or otherwise disposed of patents, trademarks, tradenames, copyrights, licenses, customer lists, trade secrets or other intangible assets;

(f) not knowingly waived any rights of substantial value;

(g) not extended credit in the sale of its products and services other than in accordance with credit practices in effect on and before August 31, 1975;

(h) not, except in the ordinary course of business, modified, amended, altered or terminated (by written or oral agreement, or any manner of action or inaction) any of its executory agreements of a material nature or which are material in amount;

(i) kept its properties and assets in good repair, order and condition, reasonable wear and use excepted, and with insurance coverage at least as great as the amounts and coverage in effect on August 31, 1975, as stated in Schedule 5.20 delivered herewith;

(j) maintained accurately its books, accounts and records in the usual, regular and ordinary manner on a basis consistent with that heretofore employed; and

(k) used its best efforts to preserve the possession and control of all of its assets, to keep in faithful service its present officers and key employees, to preserve



the goodwill of its suppliers, customers and others having business relations with it, and to maintain the character of its business, and to do nothing to impair its ability to keep and preserve its business existing on the date hereof after the Effective Date.

Any of the foregoing matters referred to in clauses (a) - (k) may be done after August 31, 1975 and prior to the Effective Date if they are either agreed to or acknowledged by Chromalloy in writing or permitted or contemplated by another provision of this Agreement.

5.15 Adequate Facilities and Rights. The property and assets to be acquired by Chromalloy hereunder as a result of the merger will furnish Chromalloy with all of the means and rights lawfully to use and sell the same items and perform the same services as presently are being sold and performed by the Company, including but not limited to the means and rights to use and sell all such items, and perform such services, without violating applicable federal, state or local laws, or the rules and regulations of any governmental authority, or the rights of any third parties of which Company has or, in the exercise of reasonable prudence, should have knowledge, and without incurring any liability for license fees, royalties or for any claim of any infringement of patents or trademark rights of which Company has, or, in the exercise of reasonable prudence, should have knowledge.

5.16 Patents, Trademarks, Etc. The Company does not own

(nor is it a party to any license or similar agreements with respect to) any patents, patent applications, tradenames, trademarks, copyrights, franchise arrangements or similar intangible rights. Likewise, the Company's present business operations are being conducted and may be continued without any additional licenses, permits or approvals from federal or state regulatory agencies with jurisdiction over the business operations in which the Company is engaged.

5.17 Accuracy of Corporate Records. The copies of the Articles of Incorporation, By-Laws, Minute Books and Stock Transfer Records (showing Stockholder as the sole stockholder of the Company) of the Company heretofore delivered to Chromalloy are complete and correct. The Minute Books of Company contain complete and accurate records of all meetings and other corporate actions of their respective Stockholders and Directors.

5.18 Authorization. The Board of Directors and Stockholder of Company have approved and adopted this Agreement and authorized the execution of all such documents and the taking of all such action as shall be necessary or appropriate to consummate all of the transactions contemplated or provided for herein, and their approval is confirmed by the signature of Stockholder hereon.

5.19 Absence of Litigation. Except as disclosed in Schedule 5.19, the Company is not now engaged in nor, to the Company's best knowledge, threatened with any litigation or other proceeding in connection with its affairs. With respect to the litigation

disclosed in Schedule 5.19, the Company's uninsured losses and expenses will not exceed \$20,000 plus the reserve amounts, if any, provided therefor at August 31, 1975. Company is not now subject to any decree, order or other governmental restriction (including without limitation any formal or informal actions or investigations by a federal agency) which has a material adverse effect on its business or assets or which would prevent or hamper the consummation of the transactions contemplated by this Agreement.

5.20 Insurance. Delivered as Schedule 5.20 is a true and complete list of all the insurance policies in force with respect to the properties, assets and business of the Company, and such insurance is adequate based on its experience. The Company is not now and on the Effective Date will not be in default in any material respect under any such policy, and such policies will be continued in force and effect up to and including the Effective Date.

5.21 Salaries and Pensions. Delivered hereto as Schedule 5.21 is a true and complete list of the names and current salary rates of all present directors, officers and employees of the Company whose current annual salary rate is \$15,000 or more, together with a summary showing such salaries, the salaries, bonuses, additional compensation and other like benefits, if any, paid or payable to such persons for the period ended March 31, 1975, by Company, and the amount of such benefits being

accrued for such persons for the current fiscal year.

5.22 Employee Benefit Plans and Salaries. There has not been since August 31, 1975, any bonus, profit sharing, pension, retirement or other similar arrangement or plan instituted or agreed to by Company, or any increase in the compensation payable or to become payable by it to any of its officers, employees or agents whose total compensation for services rendered after any such increase is at an annual rate of more than \$15,000, nor has any bonus, percentage of compensation or other like benefit accrued to or for the credit of any of the officers, employees or agents of the Company.

5.23 Truth of Warranties and Survival. The representations and warranties herein set forth shall be true as of the Effective Date, except for changes permitted or contemplated by the terms of this Agreement, and shall survive the Effective Date. Any investigation or examination of the business, property or affairs of the Company shall not affect the representations and warranties of the Company or its Stockholder, jointly and severally, herein contained.

## 6. REPRESENTATIONS AND WARRANTIES OF CHROMALLOY

Chromalloy represents and warrants to the Company and Stockholder as follows:

6.01 Organization and Good Standing. Chromalloy is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, has all necessary corporate

powers to own its properties and to carry on its business as now conducted and operated by it and is in good standing in all jurisdictions in which failure to qualify would have a material and adverse effect on the business or financial condition of Chromalloy.

6.02 Authorization of Common Stock. The shares of all stock into which the Company Stock is to be converted at the Effective Date will, upon conversion, be duly authorized, validly issued, fully paid and non-assessable.

6.03 Financial Statements. Chromalloy has heretofore delivered to the Company copies of its consolidated Balance Sheet as at December 31, 1974, and its related consolidated Statement of Operations for the year then ended, certified by Peat, Marwick, Mitchell & Co., independent certified public accountants. Said Financial Statements were prepared in accordance with generally accepted accounting principles and fairly reflect the consolidated financial condition of Chromalloy and its consolidated subsidiaries as at December 31, 1974, and the results of their operations for the period then ended.

6.04 No Material Adverse Change. Since December 31, 1974, there has been no material adverse change in the business, assets, liabilities, results of operations or condition, financial or otherwise, of Chromalloy and its consolidated subsidiaries, taken as a whole, and there is no material claim, action or proceeding pending (except as disclosed in the Notes to Chromalloy's

Consolidated Financial Statements for the years ended December 31, 1973 and 1974 as set forth in its 1974 Annual Report).

Stockholder acknowledges that Chromalloy has delivered to him its June 30, 1975, earnings release containing unaudited earnings information in the form mailed to Chromalloy's stockholders, and Stockholder acknowledges that the results of operations reflected therein have been disclosed to him and that such results do not constitute a material adverse change in Chromalloy's business.

6.05 Authorization. The execution and delivery of this Agreement and Plan of Merger by Chromalloy have been duly authorized by all requisite corporate actions and neither such execution and delivery of this Agreement, nor performance hereunder, will conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under Chromalloy's Articles of Incorporation, Bylaws, or any contract, agreement, instrument or commitment to which it is a party or by which it is bound.

6.06 Survival. The representations and warranties of Chromalloy contained herein set forth shall be true as of the Effective Date, except for changes permitted or contemplated by the terms of this Agreement, and shall survive the Effective Date.

## 7. COVENANTS OF CHROMALLOY

Chromalloy covenants and agrees:

7.01 Anti-dilution. If, after this Agreement is signed

and prior to the Effective Date, a record date shall be established following which the outstanding Chromalloy Stock shall be changed into or exchanged for a different number or kind of shares of Chromalloy voting stock (whether by reason of recapitalization, reclassification, split-up, combination of shares, or otherwise), then there shall be substituted for each share of Chromalloy Stock otherwise deliverable pursuant to this Agreement the number and kind of shares into which each such share of Chromalloy Stock shall be so exchanged or exchangeable. For purposes of this Agreement, a dividend declared after the date hereof, payable in shares, shall be deemed to be a split-up, but there shall be no adjustment hereunder on account of the declaration or payment of any cash dividends on shares of Chromalloy. If there is any change in the number of shares otherwise to be delivered by reason of the foregoing provisions of this Section 7.01, such adjustment shall not give rise to the delivery of any fractional shares.

7.02 Conduct of Business. Prior to the Effective Date, Chromalloy will not enter into any transaction nor incur any liabilities that would render the representations and warranties of Chromalloy set forth herein inaccurate as of the Effective Date, except as permitted hereby.

7.03 Employment Agreement. Chromalloy will, simultaneously with closing of this Agreement on the Closing Date, enter into a separate employment agreement with B. L. Tanner at a

salary and with a title mutually agreeable to the parties and otherwise substantially in the form of Exhibit C attached hereto and incorporated herein by reference.

8. MUTUAL RIGHTS OF TERMINATION; STOCKHOLDER APPROVAL

8.01 Termination. This Agreement may be terminated, without liability on the part of any party to the other unless the termination is brought about by the willful failure of one of the parties to perform or comply with an agreement or covenant to be performed or complied with by it hereunder, by the Board of Directors (or Executive Committee in the case of Chromalloy) of either Chromalloy, or the Company if:

(a) Completion Date. The merger has not been consummated prior to November 30, 1975.

(b) Litigation. Any action or proceeding shall be pending or threatened before any court or other governmental body by any person or public authority seeking to restrain or prohibit, or to obtain damages or other relief in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

8.02 Stockholder Approval. Execution of this Agreement by the Company and the Stockholder shall be deemed their waiver of any rights of first refusal, preferences, stock options or similar rights which either of them may have with respect to the Company's Stock to be converted into Chromalloy Stock pursuant to the merger provided for herein, and no such rights shall survive the merger.



## 9. CHROMALLOY'S CONDITIONS TO CLOSING

The obligation of Chromalloy to consummate this Agreement and to effect the merger hereunder shall be subject to the following express conditions precedent:

9.01 Continued Truth of Warranties. The representations and warranties of the Company herein contained shall be true on and as of the Effective Date with the same force and effect as though made as of such date, except for any variations permitted by this Agreement.

9.02 Performance of Covenants. The Company and the Stockholder shall have performed all material covenants and obligations and complied with all material conditions required by this Agreement to be performed or complied with by them prior to the Effective Date.

9.03 Damages by Casualty. The business, properties, financial condition, earnings, prospects and operations of the Company shall not have been adversely affected on or prior to the Effective Date in any material way as a result of any accident or other casualty (whether or not covered by insurance) or any labor disturbance or Act of God or the public enemy.

9.04 No Adverse Change. There shall have been no material adverse change in the business, properties, operations, financial condition or earnings of the Company since August 31, 1975.

9.05 Certificate. Unless the Stockholder shall have delivered to Chromalloy a certificate executed by him dated the

Effective Date, certifying that one or more of the conditions set forth in Sections 9.01 through 9.04 of this Agreement have not been fulfilled, the closing of the merger by the Company and the Stockholder on the Effective Date shall constitute a representation and warranty by the Company and its Stockholder, jointly and severally, that each of such conditions has been fulfilled or satisfied.

9.06 Investment Letters. Chromalloy shall have received from Stockholder, prior to or at the Closing, written representations in substantially the form of Exhibit D delivered herewith, together with such additional information and documentation as shall be required to satisfy counsel for Chromalloy that issuance of Chromalloy Stock to Stockholder pursuant to the provisions of this Agreement shall constitute a transaction within the provisions of Section 4(2) of the Securities Act of 1933, as amended, and shall comply fully with the interpretations of that Section as set forth in Securities and Exchange Commission Rule 146.

9.07 Legal Opinion. Chromalloy shall have received the favorable opinion of Fields and Fields, Brazoport, Texas, counsel for the Company, dated as of the Closing Date, in substantially the form of the draft legal opinion delivered herewith as Exhibit E.

9.08 Counsel's Approval. All actions, proceedings, instruments and documents required or appropriate to carry out this Agreement, or incidental thereto, and all other related

legal matters shall have been approved by counsel for Chromalloy.

Any of the foregoing conditions may be waived, in whole or in part, by action of the Board of Directors of Chromalloy.

#### 10. COMPANY'S CONDITIONS TO CLOSING

The obligation of the Company to consummate this Agreement and to effect the merger shall be subject to the following express conditions precedent:

10.01 Continued Truth of Warranties. The representations and warranties of Chromalloy herein contained shall be true on and as of the Effective Date with the same force and effect as though made as of such date, except for any variations permitted by this Agreement.

10.02 Performance of Covenants. Chromalloy shall have performed all material covenants and obligations and complied with all material conditions required by this Agreement to be performed or complied with by it prior to the Effective Date.

10.03 Certificate. Unless an executive officer of Chromalloy shall have delivered to the Company a certificate executed by him, dated the Closing Date, certifying that one or more of the conditions set forth in Sections 10.01 and 10.02 hereof have not been fulfilled, the closing of the merger by Chromalloy on the Effective Date shall constitute a representation and warranty by Chromalloy that each of such conditions has been fulfilled or satisfied.

10.04 Legal Opinion. The Company and Stockholder shall have received the favorable opinion of W. S. Walch, counsel for Chromalloy, in substantially the form of the draft legal opinion delivered herewith as Exhibit F.

10.05 Employment Agreement. B. L. Tanner shall have executed and delivered to Chromalloy the Employment Agreement described in Section 7.03.

10.06 Approval of Counsel. All actions, proceedings, instruments and documents required or appropriate to carry out this Agreement and Plan of Merger, or incidental thereto, and all other related legal matters shall have been approved by counsel for the Company.

Any of the foregoing conditions may be waived, in whole or in part, by action of the sole Stockholder of the Company.

## 11. INDEMNIFICATION

11.01 Stockholder's Indemnification. By adoption of this Agreement, Stockholder agrees to protect, defend and indemnify Chromalloy and hold it harmless from, against and with respect to any and all loss, liability, expense (including attorneys' fees incurred in enforcing a claim for indemnification) or damage ("Damages") resulting from any misrepresentation or breach of or inaccuracy in any warranty or in any covenant by the Company and/or Stockholder made or contained in this Agreement or in any certificate or document executed and delivered to Chromalloy by or on behalf of the Company under or in connection with this

Agreement or the transactions contemplated herein, or resulting from any omission in any of the foregoing necessary to make the same not misleading, together with any and all actions, suits, proceedings, claims, demands, assessments, judgments, costs and expenses (including without limitation interest, penalties, legal fees and accounting fees) incidental to any of the foregoing (any and all of the foregoing being hereinafter called a "Breach of Warranty") and provided further that, in determining the loss, liability or damage resulting from claims related to goods sold and/or services rendered and/or deficiencies in inventory and/or income taxes, the same shall include all claims predicated on transactions entered into on or prior to the Effective Date whether or not such transactions on the Effective Date are wholly or partially executory.

11.02 Value of Deposit Shares. For purposes of this Article 11, any Deposit Shares utilized by Chromalloy in satisfying an indemnification claim hereunder shall be applied against the indemnification claim on the basis of the per share value established in Subsection 4.01 (b).

11.03 Limitation. No Breach of Warranty shall give rise to a right on the part of Chromalloy for indemnification hereunder unless the claim in respect thereto shall have been asserted in writing during the period after the Effective Date and ending on October 31, 1978, provided that the period within which a claim

with respect to a Breach of Warranty resulting from a federal income tax deficiency, penalty or interest assessed against the Company or Chromalloy as successor to the Company may be asserted shall terminate on the earlier of (i) the date the normal statute of limitations set forth in Section 6501(a) of the Internal Revenue Code (as modified by any agreement under Section 6501(c)[4]) bars the assessment of an income tax deficiency against the Company, or Chromalloy as its successor, for any period ending on or before the Effective Date, or (ii) thirty (30) days after receipt, following audit, of the Internal Revenue Service's final determination of such income tax deficiencies, penalties, and/or interest, if any, with respect to such periods.

11.04 Further Limitation. Notwithstanding any other provisions of this Agreement, Stockholder's personal liability for a Breach of Warranty or other liability pursuant to this Agreement shall at all times be limited to the Deposit Shares except that this limitation of liability shall not apply to the real property title warranties contained in Section 5.06 of this Agreement or to claims predicated upon fraud or intentional concealment pursuant to Rule 10-b-5 promulgated under the Securities Exchange Act of 1934 or a comparable federal statutory or state law cause of action. Upon delivery of satisfactory title insurance with respect to the Company's real properties in an amount of \$300,000 Stockholder shall be released from his aforesaid liabilities with respect to real property title warranties.

## 12. MISCELLANEOUS

12.01 Broker for Company and Stockholder. The Company and Stockholder represent and warrant that no person, firm or corporation has acted in capacity of broker on their behalf to bring about the negotiation of this Agreement, and the Company and the Stockholder agree to indemnify and hold harmless Chromalloy against any claims or liabilities asserted against it by any person acting or claiming to act as a broker or finder on behalf of the Company or the Stockholder.

12.02 Broker for Chromalloy. Chromalloy represents and warrants that no person, firm or corporation has acted in the capacity of broker or finder on its behalf to bring about the negotiation of this Agreement, and agrees to indemnify and hold harmless the Stockholder against any claims or liabilities asserted against him by any person acting or claiming to act as a broker or finder on behalf of Chromalloy.

12.03 Notices. Any notices or other communications required or permitted hereunder to Chromalloy or the Company shall be sufficiently given if delivered in person or sent by registered mail, postage prepaid, addressed as follows:

In the case of Chromalloy:

Chromalloy American Corporation  
120 South Central Avenue  
Clayton, Missouri 63105

Attention: W. B. Roberts, Secretary

In the case of Company and Stockholder:

B. L. Tanner, President  
Gulfco, Inc.  
Drawer "O"  
Freeport, Texas 77541

with a copy to:

Raymond J. Fields  
Fields & Fields  
P. O. Drawer 2170  
Freeport, Texas 77541

or to such substituted address as any party has given notice to the others in writing.

12.04 Effective Date for Accounting and Tax Purposes. For accounting and tax purposes this Agreement shall be deemed to be effective as of November 1, 1975.

12.05 Waivers and Amendments. Any failure by Chromalloy or the Company to comply with any of its obligations, agreements or covenants as set forth herein may be expressly waived in writing authorized by the Stockholder of the Company in the case of a default by Chromalloy, and by the Board of Directors, Executive Committee or authorized officers of Chromalloy in case of a default by the Company or the Stockholder.

12.06 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one instrument.

12.07 Exhibits and Schedules. The Exhibits and Schedules described herein form part of this Agreement for contractual purposes.

12.08 Paragraph Headings. It is understood and agreed that the paragraph headings are for the convenience of the parties



and in no way alter, modify, amend, limit, or restrict the contractual obligations of the parties.

12.09 Entire Agreement. All prior negotiations and agreements between the parties hereto are superseded by this Agreement, and there are no representations, warranties, understandings or agreements other than those expressly set forth herein or in an Exhibit delivered pursuant hereto, except as modified in writing concurrently herewith or subsequent hereto.

IN WITNESS WHEREOF, this Agreement has been duly executed by Chromalloy, by the Company and the Stockholder as of and on the date first above written.

CHROMALLOY AMERICAN CORPORATION

By W. R. [Signature]  
Title Exec. V. Pres.

(Corporate Seal)

ATTEST:

Asst. N. S. Harris  
Secretary

No  
(Corporate Seal)

ATTEST:

[Signature]  
Secretary

GULFCO, INC.

By B. L. Tanner  
Title Pres.

B. L. Tanner  
B. L. Tanner, Individually  
and as Sole Stockholder  
of Gulfco, Inc.